

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

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Washington, D. C.

May 19, 1945

OPA FILES REQUEST FOR PRICE PROGRAM CHANGE

N.C.A. Data on Labor Costs Also
Presented to Mr. Davis

The Office of Price Administration this week laid before William L. Davis, Director of Economic Stabilization, the proposals with respect to modification of the 1945 pricing program for canned foods which were presented and discussed by OPA representatives on April 30 at the meeting of the Association's Planning and Legislative Committees (See INFORMATION LETTER for May 5).

It was expected at the time of this meeting that the OPA request for a change in the pricing plan, by which canners would be permitted to reflect in their maximum prices their increased production costs in 1945, would go to Mr. Davis in a short time, but the presentation was delayed.

The principal question involved was whether the continuance of 1944 prices in 1945 would permit the industry to absorb the increased costs of production and still attain the earnings standard set up by the OPA. From its further studies the OPA has found that the industry's earnings in 1943 were about up to this standard. Information on 1944 earnings is not available, but 1944 prices were based on 1943 costs and they did not include the increased labor costs in 1944.

Secretary Carlos Campbell of the Association had an interview with Mr. Davis this week at which he presented, among other things, data on labor costs. Mr. Davis has been reported as hold-

ing the view that the payment of higher wages results in more efficient labor and therefore does not cause higher labor costs per unit of output. The data presented by Mr. Campbell, which was developed from a special survey of canners' costs, showed that for the canning industry this assumption is incorrect. Consequently, the canner is not in position to absorb the wage increases that have taken place since 1943. The result for the industry as a whole would be that its earnings would fall below the standard set by OPA.

25,000 War Prisoners to Be Available for Canning Plants

Latest information indicates that about 25,000 war prisoners will be available for work in the canning plants this year. On May 1 prisoners of war in the United States included 343,115 Germans, 50,303 Italians, and 3,286 Japanese. Some additional prisoners have since arrived or are enroute.

Present plans provide for use during the summer and fall of 85,000 prisoners in agriculture, 55,000 in non-agricultural jobs such as food processing and lumbering, and 180,000 in American military establishments performing such tasks as reclaiming clothing, overhauling trucks, etc.

The War Department has stated that it now plans to hold war prisoners in the country until the end of the 1945 agricultural season for contract employment in agriculture and industry unless before that time the labor market permits their return to Europe.

The general program provides for the repatriation as soon as possible of sick and wounded prisoners and officers and non-commissioned officers who under the terms of the Geneva convention need not work unless they wish to do so.

The use of prisoners, it is stated, will be so managed that it will not prevent any American from getting a job. If there is a civilian for the job, he will get it.

The Provost Marshal General's Office has sent to all service commands the following telegram regarding working hours and rates of pay for prisoners:

Because of the shortage of prisoners and the increased needs for labor in
(Concluded on page 8628)

HOUSE ELIMINATES FUND FOR MIGRATION OF LABOR

Ways and Means Committee Reports
the Reciprocal Trade Bill

Funds for the migration of workers were eliminated from the bill (H. R. 3199) making appropriations for the Labor Department, the Federal Security Agency, War Manpower Commission, and related independent establishments when the House on Thursday passed the bill as reported by the Appropriations Committee, which had turned down the request of the WMC for \$9,349,900 for that item. The total appropriation for the WMC was cut to \$62,000,000, or \$31,773,000 less than was requested.

Representative Hare in charge of the bill stated that the Committee eliminated the item for migration of workers, and also the requested appropriation for training within industry, because it was felt that these activities had served their purpose in the war effort. The chief opposition to the migration fund was based on the claim that the fund would relieve the railroads from paying labor costs properly chargeable to them.

The bill to extend the Reciprocal Trade Agreements Act for a period of three years was reported out by the House Ways and Means Committee on Thursday with three amendments. The bill would authorize increases or decreases up to 50 per cent in the tariff rates in force on January 1, 1945. The three amendments approved by the Committee are as follows:

"When any rate of duty has been increased or decreased for the duration of war or an emergency, by agreement or otherwise, any further increase or decrease shall be computed upon the basis of the post-war or post-emergency rate carried in such agreement or otherwise.

"Where under a foreign trade agreement the United States has reserved the unqualified right to withdraw or modify, after the termination of war or an emergency, a rate on a specific commodity, the rate on such commodity to be considered as 'existing on January 1, 1945' for the purpose of this section shall be the rate which would have existed if the agreement had not been entered into.

"No proclamation shall be made pursuant to this section for the purpose of

Labor Recruitment Material

The supplementary recruitment material referred to in the INFORMATION LETTER of April 28, consisting of a recruitment poster, a stay-on-the-job poster, and a recruitment folder, is now being mailed to all canners. Because of an unavoidable delay, the gummed window poster will not be mailed until early in June. This material is available without cost and can be obtained from the local offices of the United States Employment Service.

carrying out any foreign trade agreement the proclamation with respect to which has been terminated in whole by the President prior to the date this subsection is enacted."

Legislation to provide additional funds for development and extension of the Agricultural Extension Service neared completion this week when the House passed its bill (H. R. 1690) with amendments and substituted these provisions in the bill (S. 383) previously passed by the Senate. When the bill was returned to the Senate, the Senate asked for a conference.

Included in the bill as approved by the House was an amendment adding canning and food preservation to the subjects on which Agricultural Extension Service may work to develop effective programs.

The report of the subcommittee of the Senate Agricultural Committee on its inquiries into the meat and apple situation was presented to the Senate on Tuesday by Senator Thomas of Oklahoma. The Committee made ten recommendations, eight of which related specifically to the meat situation. The two recommendations that were broader in their application were:

"That the Price Control Act be further amended to direct the Administrator to proceed without delay to remove all price controls and regulations from any and all commodities just as fast as any such commodity becomes sufficiently plentiful so as to permit the law of supply and demand to operate to keep the price of any such commodity within the range of the cost of production plus a reasonable profit.

"That a supreme Administrator for Food be created to have supervision and jurisdiction over both the Office of Price Administration and the War Food Administration."

The conference report on the State, Justice and Commerce appropriations bill (H. R. 2603) was approved by both chambers and the legislation now goes to the President for signature.

The Senate approved legislation providing for the planning of Rural Electrification projects (S. 89) on Monday and passed the Navy appropriations bill (H. R. 2907) on Tuesday, on which the House requested a conference. Meanwhile the House began consideration of the Second Supplemental Appropriations bill (H. R. 3146).

The House Ways and Means Committee will take up in executive session during the week of May 28 the bill (H. R. 2628) to extend the Renegotiation Act to January 1, 1946. Hearings on this bill have been held but action was deferred by work on the Reciprocal Trade Agreements Act.

WFA Is Authorized to Certify Additional 1,000 for Deferment

At the request of the War Food Administration, the governmental Inter-Agency Committee on Draft Deferrals recently authorized WFA to certify 1,000 forms (42A-Special) in excess of the number originally provided by Selective Service Regulations. These forms are furnished to WFA district representatives by food processing plant operators, and give information on essential employees who on January 1 were under 30 years of age and were classified 2A or 2B. Information on forms certified by the district representative is the basis on which local Selective Service Boards make decisions on deferment of essential men.

Originally, it was provided that not more than 30 per cent of the employees listed by essential food plants as meeting the standards mentioned could be certified by WFA. The 1,000 forms are issued in addition to the 30 per cent limitation, and have been apportioned among areas on the basis of need.

Among the industries for which WFA has authority to certify for deferment of workers are: Fruit and vegetable canning, packing, and dehydrating, meat packing, poultry dressing and products, fats and oils, grain products, dairy products, sugar processing, fertilizer, ice manufacture and harvest, cotton and fiber, tobacco.

WAR PRISONERS

(Concluded from page 8625)

agricultural and food processing plants, all existing regulations pertaining to length of workday are suspended and the following will govern. Prisoners will work the same number of hours as civilians employed on the same work project provided however that prisoners will not be required to work more than twelve hours in one day and that they will not be kept out of the stockade more than fourteen consecutive hours. Daily work tasks when used will be adjusted in accordance with the civilian workday. Contractors will pay at piece-work rates or for actual hours worked including overtime rates if applicable. No adjustments will be made in pay to prisoners because of increase in hours worked. Within the limitations expressed herein the prisoners will be returned to the stockade only when released by contractor supervisor.

Canadian Tomato Juice Pack

Production of tomato juice in Canada has been increased from a pack of 6,828 cases of 24 twenty-ounce tins in 1930 to approximately 4,000,000 cases in

1944. U. S. Department of Commerce reports. About 70 per cent of all the tomatoes processed in Canada at the present time are packed in Ontario, with Quebec and British Columbia accounting for the remainder.

OPA Issues Pricing Formula for Electrolytic Tin Cans

Establishment of a formula for determining maximum prices for packers' tin cans and condensed milk cans made from electrolytic tinplate without enamel, was announced by the Office of Price Administration May 17. The formula, which is contained in Amendment 3 to Maximum Price Regulation No. 350, becomes effective May 22, 1945.

Previously producers of cans made from unnamed electrolytic tinplate were required to apply in writing to OPA for establishment of prices for each size and style of can produced. The new formula will permit producers to calculate ceiling prices on cans made from electrolytic tinplate without applying to OPA.

WPB Reports Tin Can Salvage

Approximately 70,000,000 pounds of used tin cans were collected from civilian sources throughout the nation in the first quarter of 1945, the War Production Board reported May 16. Used tin can collections were approximately 17,000,000 pounds in January, 19,000,000 pounds in February and 34,000,000 pounds in March, according to WPB.

Farm Machinery Production

Production quota limitations on manufacturers of farm machinery, equipment and repair parts have been removed by the War Production Board, effective July 1, by issuance of L-257-c. Large manufacturers will, however, be required to obtain an approved schedule for each item they plan to produce after July 1.

Fiber Containers on Must List

Fiber containers and drums, steel drums and pails, and wooden boxes and kegs have been placed on the National Production Urgency List, entitling manufacturers of these items to higher urgency ratings for manpower when required to deliver high-rated government orders, the War Production Board has announced.

AMENDMENT TO SET-ASIDE ORDER

The War Food Administration on May 18 amended the set-aside order for canned vegetables (WFO 22.9) as it concerns canned asparagus and spinach. Effective May 20, the specific reserve for asparagus is fixed at 61 per cent and the contingency reserve 4 per cent. For spinach the specific reserve is 70 per cent and the contingency reserve 7 per cent. This represents an increase of 10 per cent in the total set-aside for asparagus and 13 per cent for spinach. The original set-aside order was published in the INFORMATION LETTER for February 9, page 8515.

NATIONAL CANNERS ASSOCIATION.

Steel for Can Manufacturers Not Increased Next Quarter

No additional steel will be allocated to can manufacturers for the second quarter of 1945, members of the Can Manufacturers Industry Advisory Committee were advised by War Production Board officials at a recent meeting of the committee. Third quarter allocations have not yet been decided, but present information strongly indicates that these will be adequate only for producing cans for perishable foods and for products required to be packed in metal for delivery to the armed services, WPB officials said.

Demands of the armed services have been so large that it has been necessary for them to divert a portion of their requirements to packages other than cans, in order to insure cans for their perishable foods—particularly fruits, vegetables, meats and dairy products—within the steel allocations available. Unless substantial cutbacks not now apparent in military requirements should develop it is unlikely that steel or can manufacturing facilities will be available in the near future for making cans in any appreciable quantity for many civilian-use products. Steel and tin allocations to can manufacturers for this year are running substantially ahead of those of any previous year, but military requirements have been increasing even more rapidly, WPB said.

Committee members said that can manufacturers have been able to keep pace with military requirements only by drawing heavily upon their inventories. Supplies on hand are now substantially reduced, and withdrawals cannot be continued indefinitely, they said.

Rattlesnake Canning Site Sold

The property at Arcadia, Florida, where the late George K. End operated a rattlesnake meat canning plant until his death last year, has been bought by Ross Allen, famous Florida herpetologist. Mr. Allen plans to build a modern canning plant on this location.

Canned Milk Inspection Eased

In order to expedite the delivery of canned evaporated and canned sweetened condensed milk to the Commodity Credit Corporation and to eliminate the waste of strapping and labor that may result from the sampling of the product packaged ready for delivery, a certification by the War Food Administration regarding packaging will not be required hereafter, milk canners were

advised on May 14. Canners must certify, however, that the product delivered meets all the requirements of the contract. Furthermore, it is the intention of CCC to regularly make inspection of the cases and markings as they arrive at the point of delivery in order to determine that contract specifications have been complied with, WFA said.

WPB Cutlery Order Revoked

Revocation of the cutlery order, L-140-a, removing restrictions on patterns and quantities of various types of cutlery, effective May 12, has been reported by the War Production Board. This order permitted manufacture of only the most essential patterns and sizes of knives used by professional food processors in institutional and home kitchens, table knives and forks, and pocketknives used by farmers, fishermen and mechanics, and regulated the maximum quantities that could be produced. It also controlled the quantity of material that could be used in the manufacture of scissors and shears, hand hair clippers and industrial cutlery. It prohibited the manufacture for civilian distribution of manicure and pedicure implements, carving sets, hunting knives and several minor cutlery items.

Nixon Named Sales Manager

William B. Nixon has been appointed Sales Manager of Campbell Sales Company, Camden, N. J., distributors of Campbell's soups throughout the United States. Mr. Nixon joined the Campbell's organization in 1928 and has held the position of assistant sales manager for the past five years.

Asparagus Standards Revised

A revision of the United States standards for grades of canned asparagus has been announced, effective May 1, 1945. The new revision differs in only minor respects from the previous one in effect since September 15, 1941. The table of recommended minimum drained weights no longer includes the 303x504 can size, but gives weights for the No. 2½ round can (19½ ounces for culturally bleached and 17½ ounces for all green, of small, medium, and large sizes).

A new section has also been added stating the method of applying tolerances in grading officially drawn samples when some of the containers fail to meet the requirements of the grade indicated by the average score.

Copies of the revised standards may be obtained from War Food Administration, Office of Marketing Services, Washington 25, D. C.

Sweet Potato Pack for 1944

The canned sweet potato pack for 1944 totalled 1,185,366 actual cases as compared with the 1943 pack of 890,711 actual cases, according to figures compiled by the Association's Division of Statistics. On a basis of 24/2's, the 1944 pack amounts to 1,680,166 cases.

The following table presents details of the pack for both 1943 and 1944 in actual cases by container size:

1943	Solid Cases	Syrup Cases	Vacuum Cases
No. 2.....	.....	3,000	.....
No. 2½.....	509,821	77,572	20,525
No. 3 Vacuum.....	63,000	31,345	149,178
No. 10.....	23,964	10,777	.....
Miscellaneous.....	.....	511	1,018
Total.....	596,785	123,205	170,721
1944			
No. 2.....	5,500	.....	.....
No. 2½.....	403,214	433,644	104,044
No. 3 Vacuum.....	.....	63,242	44,950
No. 10.....	9,928	22,507	6,000
Miscellaneous.....	.....	337	.....
Total.....	420,642	519,730	244,994

Farm Employment at Low Level

Fewer persons were working on farms on May 1 than the previous record low for that date a year ago, the United States Department of Agriculture has reported. About 10,000,000 persons were employed on farms on May 1 of this year, a decrease of a little more than 50,000 from the same date in 1944. The index of employment was 83 this month, 75 for last month, and 84 on May 1, 1944.

Farm operators generally continued to report difficulties in securing adequate supplies of farm labor. Many are already trying to make arrangements for the extra help needed when harvest begins. Farmers are again counting upon imported labor and prisoners of war to bear part of the peak harvest load, although these sources have supplied only a very small proportion of the total farm work force, the USDA said.

Points for Canned Pie Filling

Canned fruits that have been prepared for use as pie filling by addition of thickening agents, except pectin, have the same point values as the same varieties of canned fruits that have not been thickened, the Office of Price Administration announced May 14. The action was taken by Amendment 78 to Revised Ration Order 13, effective May 18, and does not apply to cream pie or pastry fillings with or without fruit flavorings, nor does it apply to jams, jellies, marmalades, fruit butters and other similar preserves used as pie filling.

NO WIDESPREAD RELAXATION OF MANPOWER CONTROLS TO COME UNTIL END OF WAR WITH JAPAN, MC NUTT SAYS

Although the European phase of the war is over, general relaxations of manpower controls are not in prospect until Japan is defeated, according to Paul V. McNutt, Chairman of the War Manpower Commission. However, plans are being put into operation by the WMC for progressive relaxation of manpower controls as rapidly as circumstances permit. During the transition period between now and July 1, the policy of WMC will be as follows:

1. Manpower controls in Group III and IV areas may be lifted by area directors at any time during the transition period between now and July 1, after consultation with local management-labor committees.

2. Manpower programs that include employment stabilization programs, employment ceiling programs, priority referral for males, and the 48-hour week, will be maintained in Group I and II areas. In these areas, the area directors will keep a close check on changing labor market conditions and avoid allowing anything to interfere with the prompt reemployment of individuals being laid off from war production when other jobs are available. The area directors have been instructed to transmit immediately to headquarters any marked changes in manpower requirements in an area with recommendations for area reclassification.

3. If unemployment is appearing during the transition in Group I and II areas, area directors, pending the reclassification of areas, may make use of "blanket" or open referral cards, which permit workers to accept any job, and ceilings will be promptly adjusted or temporarily lifted. At the same time the U. S. Employment Service will actively solicit orders for jobs from all employers in order to alleviate any unemployment.

After July 1, when all areas have been reclassified on the new basis, all manpower programs in Group II areas will be made optional at the discretion of area manpower directors after consultation with the area management-labor committees and with the approval of regional directors.

After July 1 Group I will be areas in which all manpower controls will be continued; Group II, areas in which manpower controls will be optional, and Group III and IV, areas in which manpower controls will be completely eliminated.

Group I areas will be those in which labor stringency exists for meeting war production requirements. Group II areas will be those in which there is an over-all balance of labor supply and demand. Group III and IV areas will be those in which war contracts should be placed to fill current and anticipated

employment needs wherever possible and encourage civilian production.

If these changes in any way jeopardize war production, more stringent controls will be immediately restored.

The list of essential activities will be continued, but will be restricted until it includes only direct war and war-supporting production.

Except in such areas where unemployment is developing, workers will be required to obtain statements of availability in Group I and II areas for the transition period. After July 1, certificates of availability will continue to be necessary in Group I areas and may also be required in Group II areas at the option of the area directors.

In all Group I and II areas, workers will continue to be referred to highest priority war production jobs or to jobs of a war-production supporting character.

The 48-hour work week will be maintained for establishments in all Group I areas with, as now, appropriate exemptions for individual plants. In Group II the 48-hour work week will be optional with area directors who have headquarters approval to institute or maintain the 48-hour work week if this is deemed necessary to maintain labor balance or assure a sufficient labor supply.

N. C. A. Aids QMC in Expanded Mobile Laboratory Program

During the 1944 vegetable canning season the Army Quartermaster Corps operated a new mobile laboratory unit in a program of surveys covering factories producing canned vegetables for the Army. The surveys were conducted primarily to insure that canned vegetables for overseas shipment would be safe from spoilage at the elevated temperatures encountered in some theaters of operation, and incidentally to locate and eliminate any foci of contamination in the factories that might lead to such spoilage.

The survey and laboratory methods employed were those which the National Canners Association Laboratories have developed and used in similar survey work over a period of years, and a member of the Washington Laboratory's staff accompanied the Army unit during much of its season's program to assist in organizing and planning its operations.

Impressed with the value of the first season's results, the Quartermaster Corps expects to place in the field this

year three such mobile laboratory units, well equipped and staffed, and will thus be able to make a much more extensive coverage of the producing areas involved. To man these units a group of technically trained officers and enlisted men has been assembled, and these are familiarizing themselves both with the principles involved in commercial canning and in the specialized methods used in detection and control of spoilage.

Their program of specialized instruction began with a short, intensive course arranged at one of the universities where unusually good instruction facilities for this purpose were available, and is being continued by related instruction and laboratory practice in the Association's Washington Laboratory. This phase of the training program will merge into the season's actual field operations when the canning of seasonal vegetables begins in the Eastern States.

Conferences Being Held on Cannery Sanitation Problems

A series of conferences on cannery sanitation problems is being held with State canner organizations by Dr. E. J. Cameron, Director of the Washington Research Laboratory, and members of the Laboratory staff.

The purpose of the conferences is to obtain information on the general situation in the various States, the extent of interest among canners in the subject, the problems involved in each region, the character of improvement programs that would be possible and desirable, and the organization required to carry on such programs.

The first conference was held in Maine on May 15, following which meetings are scheduled in New York, Michigan, Wisconsin and Minnesota.

Provision for sanitation studies and surveys was made by the Board of Directors at its meeting in March.

WFA to Purchase Canned Milk

The War Food Administration announced on May 14 that it contemplates purchasing up to 3,000,000 cases of canned evaporated milk packed in domestic containers, strapped with two straps applied around the top, sides, and bottom (girthwise) of the box, with the straps located approximately $\frac{1}{6}$ of the length of the box from each end. Offers for the sale of this commodity must be submitted in accordance with the terms and conditions as contained in Announcement Awd-452, dated April 2, 1945.

Frozen Fruit and Vegetable Stocks Held in Cold Storage

Stocks of frozen fruits in storage on May 1, 1945, totalled 109,148,000 pounds against 103,786,000 on April 1, 1945, and 130,906,000 pounds on May 1, 1944, according to the War Food Administration. Frozen vegetable stocks on May 1, 1945, were 84,250,000 pounds against 90,967,000 on April 1, 1945, and 100,178,000 on May 1, 1944. The following table furnishes details by commodities:

Products	May 1, 1944	Apr. 1, 1945	May 1, 1945
	1,000 lbs.	1,000 lbs.	1,000 lbs.
FROZEN FRUITS			
Apples.....	46,066	44,814	
Blackberries.....	3,782	5,725	4,355
Cherries.....	8,932	17,986	13,516
Young, Logan, Boyesen.....	2,256	5,276	3,955
Raspberries.....	8,806	7,774	6,208
Strawberries.....	11,480	11,533	12,245
Grapes.....		9,876	8,712
Plums and prunes.....		9,516	6,444
Peaches.....		18,410	15,674
Fruit juices and purees.....		15,174	12,486
All other fruits.....	95,650	46,450	40,739
Total.....	130,906	193,786	169,148
FROZEN VEGETABLES			
Asparagus.....	2,643	2,798	3,755
Beans, lima.....	4,826	6,498	5,057
Beans, snap.....	8,393	8,414	6,167
Broccoli.....	3,148	6,020	5,158
Cauliflower.....		2,671	2,098
Corn, sweet.....	8,067	12,116	8,886
Peas, green.....	21,035	19,809	13,690
Spinach.....	8,999	11,143	12,201
Brussels sprouts.....		2,112	1,935
Pumpkin and squash.....		5,462	4,980
Baked beans.....		1,978	1,717
Vegetable purees.....		582	523
All other vegetables.....	40,065	30,274	17,993
Total.....	100,178	90,967	84,250

More Potash for Farm Purposes

Allocations of potash for industrial use will be cut approximately 10 per cent, and this quantity will be used instead for agricultural purposes, War Production Board officials told members of the Potash Producers Advisory Committee at a recent meeting.

The committee recommended that the potash allocation order (Schedule 98 of Order M-300) not be canceled in the immediate future. It was suggested, however, that a meeting of the committee be held in July to consider the lifting of the controls at that time.

The committee also favored moving the final date for contracting for potash allocations from August 15 to July 15 for Period 6. WPB said that the date would be changed as requested.

Green and Wax Beans Offered

The War Food Administration is offering for sale to the original processors approximately 19,354 cases of canned green and wax beans from the

1942 and 1943 packs. The original processors will have until 5 P.M., EWT, May 31, to submit offers to purchase to the Sales Branch, Office of Supply, CCC, War Food Administration, Washington 25, D. C. The beans are offered and located for sale as follows:

2,540 cases (24/2's) Standard cut green round at Harrisburg, Pa.; 2,906 cases (24/2's) ungraded Standard green round at Memphis, Tenn. and St. Louis, Mo.; 2,350 cases (24/2's) ungraded Extra Standard at Baltimore, Md.; 3,050 cases (6/10's) Extra Standard cut green flat at Baltimore, Md.; 3,908 cases (6/10's) ungraded Standard cut wax flat at Baltimore, Md. and Richmond, Va.; and 4,200 cases (6/10's) ungraded Standard cut wax flat.

Fish and Milk Cannery Receive Highest Labor Priority Rating

Canning of certain fish and milk products have been placed in category 3 on the national production urgency list by the Production Urgency Review Committee. This places these activities on par with the production of munitions, airplanes, and other critical war industries. Announcement of this action is contained in the following wire which was sent on May 8 to all regional directors of the War Manpower Commission:

"Following changes were made in national production urgency list: (7) Food Processing: This item is amended to read as follows: 'Limited to the production of dried whole milk, non-fat dried milk products, evaporated milk and the canning of fish, including only the canning of salmon, California pilchards, Atlantic sea herring (including sardines), mackerel (including Atlantic and Pacific mackerel and Pacific horse mackerel), tuna (including bonito and yellowtail), fish flakes.'"

The Production Urgency Review Committee is an interdepartmental committee set up under the War Production Board to determine the urgency of production and is not to be confused with the Essential Activities Committee of the War Manpower Commission, which was established to determine the priority rating of industries and occupations for deferment purposes.

WPB Order L-292 Revoked

General Limitation Order L-202 and Schedules 1A through 9A were revoked May 15 by the War Production Board. This order permitted deliveries to fill orders, restricted the use of critical materials, and established production quotas for food processing machinery. The manufacture and delivery of food

processing machinery still remains subject to all other applicable WPB regulations and orders.

Canned Fish Flakes Added to Canned Fish Set-aside Order

By Amendment 9 to War Food Order 44, effective May 20, canners of flaked fish produced from cod, haddock, hake, pollock, and cusk are required to set aside and deliver 100 per cent of their current production to the Government. This action, which was taken to help the Navy meet its requirements for canned fish flakes, adds one more class of canned fish to the nine other classes already being reserved for the Government. The new amendment applies only to flaked fish produced in Atlantic coast canneries, and does not change the 80 per cent requirement for the nine other classes. The amendment makes the following additions and changes in WFO 44 (See pages 8560-70, INFORMATION LETTER for March 31 for full text of order):

To § 1465.20 (b) (1) is added:

Class 10. Cod (*Gadus callarias*), haddock (*Melanogrammus aeglefinus*), hake (*Urophycis species*), pollock (*Polachius virens*), or cusk (*Brosme brosme*) when processed and canned as the commercial product commonly known and sold under the name of fish flakes. (For the period May 20, 1945, to March 31, 1946, inclusive).

The provision, "One hundred per cent, by net weight, of each canner's 1945 pack of class numbered 10 (designated in (b) (1) hereof) is hereby established as each such canner's quota of the 1945 pack of such class for sale or delivery to governmental agencies," is added to § 1465.20 (b) (2), and § 1465.20 (b) (4) is amended to require a canner to set aside his total pack of canned fish flakes even though the pack is less than 12,000 pounds.

WPB Truck Releases for April

A total of 21,906 vehicles released under the truck rationing program during April, 1945, as compared with 21,932 in March, 1945, the War Production Board announced May 14.

Civilian users received 4,010 light trucks, 7,262 medium trucks, 3,078 heavy trucks and 2,221 trailers. Holders of government exemption permits received 220 light trucks, 4,800 medium trucks, 339 heavy trucks and 57 trailers.

Since the truck rationing program became effective March 9, 1942, a total of 439,005 vehicles of all types has been released. Of these, 60,688 were light trucks, 259,372 medium trucks, 69,835 heavy trucks and 49,000 trailers.

STATUS OF PROGRAM FOR PRICING OF SNAP BEANS

Neither Ceiling Prices or Subsidies Have Been Announced for 1945 Bean Pack

In a special bulletin, issued under date of May 14, the Association furnished wax and green bean canners with information on the status of the pricing of the 1945 pack of these products. The text of the bulletin, which will be of some interest to all canners, follows:

At the present time the canning of green beans and waxed beans is under way in some areas. Numerous canners have inquired as to the exact status of the pricing of the 1945 pack of green and waxed beans under existing Office of Price Administration regulations and of the contemplated subsidy program covering these commodities for civilian sale.

Over the past few weeks an effort has been made to get both the War Food Administration and the OPA to clarify this situation. For reasons stated in this report, neither of these government agencies has been able to act. In order that interested canners may understand the situation and contemplated action by both WFA and OPA, the following report is being sent to you.

Pricing

At present there appears to be no OPA ceiling price specifically covering the sale of canned beans of the 1945 pack. Supplement 7 to FPR 1 provides that (Sec. 1 (a)):

"The provisions of this supplement apply to products packed during the year 1944 (and after), except that as to products on which a subsidy is payable the supplement applies to products packed during the period March 1, 1944, to April 30, 1945."

Section 5(a) (1) (iii) specifies that

"As to any product for which a subsidy is payable the processor shall subtract from his gross maximum price the amount of the direct subsidy payable per unit of the finished product."

As will be seen below, there is at present no subsidy "payable" or even announced covering the 1945 pack. In these circumstances it might be argued that one of three legal situations exist.

(1) That in the absence of a subsidy being provided, the gross maximum price specified in Supplement 7 is the lawful ceiling price. In view of the language in Section 1 this interpretation is questionable. It may be that there is an existing ceiling price for government sales since this can be calculated without reference to any subsidy, and adjustable pricing provisions exist for such government sales.

(2) That since Supplement 7 is inapplicable, the 1943 regulation, MPR 306, is applicable. On the other hand, Section 1341.551 (g) of MPR 306 states that it applies only to items packed dur-

ing the year 1943 and after until a superseding regulation is issued.

(3) That no ceiling price exists. The OPA has stated informally that it will not recognize this last interpretation.

OPA has further stated that it has in preparation an amendment to Supplement 7 which will make it clear that canners may continue to use 1944 prices in selling the 1945 pack for civilian consumption until such time as new price regulations are issued. Order No. 24 to Supplement 7, issued March 7, 1945, already permits the use of 1944 prices as specified in Supplement 7 in selling to the Government, together with an agreement that the prices may later be adjusted when the 1945 price regulations are issued. But no similar adjustable pricing provision now exists for civilian sales from the 1945 pack.

Moreover, any new amendment permitting the sale of the 1945 pack for civilian use at the 1945 ceilings will not clear up the problem with respect to subsidies, since there is no assurance that any canner who deducts a subsidy will later be given the subsidy. In other words, there is no legal assurance that any subsidy later announced will be made retroactive. Insofar as OPA is concerned, it regards it as the duty of WFA to issue an announcement or to make effective any subsidy program in time for the OPA to reflect it in a pricing regulation. OPA officials likewise informally expressed the desire that canners continue to sell at the 1944 civilian ceiling prices.

Recently OPA was requested to provide for the sale of 1945 packs on an adjustable pricing basis, both to government agencies and for civilian distribution. It is understood that this question is under consideration by the OPA. As already noted, insofar as sales to government agencies are concerned, Order 24 to Supplement 7, issued March 7, 1945, permits the sale and delivery at this time of any portion of the 1945 pack subject to later price adjustment when the 1945 pricing regulations are issued.

Subsidy Status

There is at this time no subsidy covering the 1945 production of any canned vegetables. The 1944 subsidy (WFA Form FDA 776) provides that "designated canned food" eligible for subsidy must have been produced prior to April 30, 1945. It is true that Congress has already enacted legislation authorizing the Commodity Credit Corporation to pay subsidies on the 1945 production until December 31, 1945. WFA has not, as yet, issued a formal announcement of this subsidy program and it is reported that WFA officials have been advised that they cannot do so until OES issues an appropriate directive. The application for such directive is now pending in the Office of Economic Stabilization. There likewise has been reported some legal doubt as to the propriety of issuing an

announcement prior to the issuance of the formal subsidy offer. In other words, WFA cannot act without a directive, and there is some question as to whether retroactive subsidy payments may be made once the directive is issued and the program announced or put into effect.

The difficulties engendered by these conflicting regulations have been called to the attention of officials in each of the agencies. Assurances have been given that insofar as possible, dependent upon action by the Office of Economic Stabilization, every effort will be made to clear up the situation.

OPA Permits Adjustable Pricing on Both 1944 and 1945 Packs

Sales and deliveries of processed fruits, berries, and vegetables from both the 1944 and 1945 packs may now be made by processors to government procurement agencies on an adjustable pricing basis, the Office of Price Administration has announced. The action, effective May 17, through the issuance of Amendment 1 to Order No. 24 to Supplement 7 of Food Products Regulation 1 (see INFORMATION LETTER for March 10 for full text of order), is intended to facilitate sales and deliveries by processors to government procurement agencies of items for which ceiling prices may be revised, OPA said.

OPA pointed out that maximum prices for a number of processed foods are now under study, and some changes may be made on items of the 1944 pack that previously had been given individually authorized price ceilings. Since these price revisions and changes cannot be made at once, the adjustable pricing order provides a means by which government agencies may buy food items at the present ceiling prices subject to later authorized adjustments in ceilings by OPA.

Official text of the amendment follows:

Paragraph (a) is amended to read as follows:

(a) That sales and deliveries of the products covered by Supplement 7 to Food Products Regulation No. 1 of the 1944 or 1945 pack may be made by processors to government procurement agencies, subject to an agreement between the buyer and seller, in each case, that the price shall be determined pursuant to action taken by the Office of Price Administration after delivery.

In any such sale the processor shall not invoice the goods at a price higher than the maximum price in effect at the time of delivery, nor shall he receive payment of more than that price until permitted by action taken by the Office of Price Administration.